

## **EXHIBIT 5-b**

1 by the deliberative process privilege?

2 And I realize that question invokes the issue  
3 whether or not and under what circumstances the deliberative  
4 process privilege could be waived, but let's--

5 MR. NEALON: So, something that would--

6 THE COURT: Let's just take the two privileges  
7 together. What in this case would be covered by the  
8 attorney/client privilege and not also covered by the  
9 deliberative process privilege?

10 MR. NEALON: Well, I think the deliberative process  
11 privilege-- I mean, let's assume that you had someone like a  
12 Mr. Whealan, who, according to his own PowerPoints and his  
13 presentations, was a material player in terms of coming up  
14 with these rules. I suppose he could have internal  
15 discussions about the various considerations, you know, that  
16 are going into these rules, different factual things that the  
17 PTO is considering, different alternatives that they looked  
18 at, that he could have discussions within the PTO, that one  
19 might arguably be able to claim is attorney/client privilege.  
20 And then he goes out to a town hall meeting, you know, and  
21 talks about that at length.

22 I think you could have a situation where that would  
23 be waived from an attorney/client point of view. Now the  
24 question is, why wouldn't that be waived from a deliberative  
25 process point of view? Or why would the deliberative process

1 privilege be waived from that point?

2 THE COURT: Take it either way.

3 MR. NEALON: Well, I think once it's out there, it's  
4 no longer confidential. And I think that that would obviate  
5 both privileges, you know, just from a privilege law point of  
6 view.

7 But the deliberative process privilege is a very  
8 narrow privilege, and there is case law that we cited saying  
9 it should be narrowly construed. And it has very technical  
10 elements. You know, one of which is, is the actual  
11 communication, let's say, in any given document, something  
12 that if it was disclosed, you know, would hinder frank  
13 discussion in the future among government officials.

14 So, I think it's a different requirement. You know,  
15 I think I could certainly foresee there being discussions  
16 internally, you know, let's say right before the rules-- I  
17 don't know, let's say there is a transcript made among some of  
18 the key decision makers, okay, we have to decide tomorrow  
19 whether we are actually going to go with these rules, let's  
20 debate all the pros and cons that we have been talking about  
21 for the last 24 or 36 months.

22 I mean, that piece of it may be deliberative  
23 depending upon what's in the document, but I do not think it  
24 would be necessarily be deliberative if every discussion  
25 relating to the topic for the last 36 months before that and

1 all the evidence that may have been considered-- And that's  
2 our concern, that there are, I would assume, legitimate areas  
3 of deliberative process privilege here, you know, that could  
4 be asserted. And someone has to stand up and say, I am  
5 willing to certify that this is an appropriate invocation of  
6 the privilege. And you have the factual material that was  
7 considered because, obviously, it is well known you can't hide  
8 facts, you know, within the privilege.

9 So, if there were factual considerations considered  
10 by the PTO, we are entitled to know what those are.

11 And I guess that's kind of a roundabout way of  
12 discussing it, but I think that once it is disclosed in the  
13 public domain, a particular communication, that that would  
14 obviate the deliberative process privilege as well.

15 THE COURT: All right. Before I hear from the other  
16 attorneys, are there any other points that you wanted to  
17 cover? Because I have kept you engaged.

18 And specifically, is there any additional gloss that  
19 you wanted to put on your submissions with respect to the  
20 depositions you wanted to take?

21 MR. NEALON: Well, just a couple of points. Again,  
22 I mentioned the point that there is Fourth Circuit authority  
23 saying that we can use discovery to complete the  
24 administrative record. And that is our intent here.

25 I think, you know, to some extent we cite cases

1 dealing with bad faith and we think we have shown indicia of  
2 bad faith warranting further investigation. And this  
3 presumption of regularity shouldn't be used as a shield to  
4 prevent us from probing into that.

5 One of the cases cited by the PTO is this Amfac case  
6 that talks about we are entitled to all materials that might  
7 have influenced the agency's decision. And they go on to say,  
8 and not merely those which the agency relied on in its final  
9 decision.

10 Here the PTO has said, look, we have determined that  
11 the only thing you are really entitled to in terms of an  
12 administrative record is what we considered in the final  
13 decision. And no one is quite sure when that happened. But  
14 that rationale seems to be directly contrary to one of their  
15 own cases.

16 THE COURT: And I am going to hear Ms. Wetzler on  
17 that.

18 MR. NEALON: So, again, the standard is very broad.  
19 The deliberative process privilege is very narrow and fact  
20 specific. It is the PTO's burden, if they want to claim a  
21 privilege once challenged, I think to assert that.

22 I think that there is an attorney/client privilege  
23 again that can certainly be asserted, but our concern is  
24 really, do we have a cherry-picked record or do we have the  
25 real record.

1           And going back to a point Your Honor made, why  
2 shouldn't we just go to Judge Cacheris and ask that this whole  
3 thing be remanded. It seems to me there is the more direct  
4 route through the discovery process in terms of making sure we  
5 have a complete administrative record, giving the parties an  
6 opportunity to challenge if they are so inclined any  
7 assertions of privilege. To get some sense as to what the  
8 scope of it is. I mean, certainly there is a big difference  
9 if we are talking about 50 documents that are being withheld  
10 as privileged as opposed to 20,000 documents. Because if  
11 there is 20,000 documents, you know, I think that raises  
12 concerns, what was the criteria for selecting it.

13           And again, just fundamentally, at the end of the day  
14 the Court has to review the whole record. And we can  
15 certainly come in at the end of the day and say, well, there  
16 is really not much in the record from which we could reverse  
17 engineer these rules, so we should throw it out. But we  
18 should be entitled to go one step further and say, if there is  
19 matter that should have been included in the record that would  
20 have been adverse to what the PTO wanted to do, we are  
21 entitled to know what that is and to present that to the Court  
22 as an arbitrary and capricious ground and/or as evidence of  
23 bad faith.

24           And it gets sort of circular. It's like, well, you  
25 have to prove bad faith to be able to pursue bad faith. We

1 think we have put out enough evidence, at least initial  
2 indicia of it, to make a prima facie case that there has been  
3 some bad faith sufficient to warrant some further  
4 investigation.

5           So, I think whether we go the route Your Honor  
6 mentioned, which is going back to Judge Cacheris to try to get  
7 the record supplemented, or whether there is a document  
8 discovery ordered and a privilege log produced, I think at the  
9 end of the day the result is the same. Hopefully we have a  
10 full administrative record and the parties can make whatever  
11 arguments they want to make. But we have to be permitted to  
12 challenge whether that is a proper record because otherwise  
13 there is no way to prove ultimately our bad faith claim,  
14 particularly on the RFA certification.

15           THE COURT: Thank you.

16           MR. NEALON: Okay, thank you.

17           THE COURT: Mr. Desmarais.

18           MR. DESMARAIS: Thank you, Your Honor.

19           I think my focus is a little bit different from  
20 Tafas, so let me, we are not trying to get depositions and we  
21 are not pursuing the bad faith argument. Our argument is  
22 actually very focused and our requests very narrow.

23           I think it is undisputed between all the parties  
24 that to make this determination, the Court needs the record,  
25 the whole record. The cases are unanimous in that. There is

1 no contrary authority.

2 THE COURT: And Ms. Wetzler says the Court has the  
3 whole record as she interprets that term.

4 MR. DESMARAIS: Exactly. And that's exactly what I  
5 wanted to focus on. I think that while the PTO is taking the  
6 position that they have provided the whole record, when you  
7 actually drill down and look at what they provided, what they  
8 said in the declaration and what they didn't provide, it is  
9 clear that they have not.

10 And just to get very specific about it, and we have  
11 outlined this in our brief, the first category of documents we  
12 outlined in our brief that are clearly not in the record as  
13 provided by the Patent Office, where are the documents before  
14 January 2006?

15 These rules were a sea change at the Patent Office,  
16 a sea change for patent practitioners. They had very specific  
17 proposals in them about the number of claims you could file,  
18 the number of continuations you can file, the searching  
19 requirements. These weren't made up out of whole cloth. And  
20 we outlined this in our brief.

21 So, what is missing? The analysis that the Patent  
22 Office did to come up with the limits for how many  
23 continuations you could file, how many requests for  
24 continuation, the specifics about how you are going to do this  
25 searching. They did analyses, they did models, they did

1 models about if we adopt these rules, what is the effect going  
2 to be on the backlog of the patent applications pending in the  
3 Patent Office?

4 We know they did this. They have told us they did  
5 this. These models and rules and analyses are not in the  
6 record.

7 THE COURT: Why do you need to have them?

8 MR. DESMARAIS: Here I can--

9 THE COURT: This is the analog of the question I  
10 kept asking Mr. Nealon.

11 MR. DESMARAIS: Right.

12 THE COURT: Why do you need to have them in order to  
13 be able to make the argument that you are going to make to the  
14 District Judge on summary judgment?

15 MR. DESMARAIS: Here's why. This type of document,  
16 and there are other reasons for the other documents, but on  
17 this type of documents, they go directly to the claim of  
18 whether the rules as adopted are arbitrary and capricious.

19 Because one of the things we get to pursue in making  
20 a claim of whether it is arbitrary and capricious is what were  
21 the alternatives? Were there alternatives less burdensome?  
22 And the burden is on the folks subject to the rule.

23 So, for instance, we know that the PTO considered  
24 limiting it to five claims, limiting it to ten claims,  
25 limiting it to six claims. And they did analyses and models

1 on all those different options, but then only chose one--

2 THE COURT: Well, you may have a multistep process.  
3 But why isn't the appropriate course-- Let's assume the  
4 correctness of your arguments.

5 Why isn't the appropriate course to get the matter  
6 remanded to the agency with a requirement that they supplement  
7 the administrative record, and then on a properly supplemented  
8 record make your demonstration to the District Judge that the  
9 decision was in fact arbitrary and capricious?

10 I mean, it seems --

11 MR. DESMARAIS: I think that is--

12 THE COURT: -- to me that taken together, that's the  
13 course that the precedents normally require.

14 MR. DESMARAIS: You are 100 percent right. There is  
15 clearly case law support that one avenue is to go to the  
16 District Judge and ask for the case to be remanded to have the  
17 record augmented fully. No question about it, Your Honor, you  
18 are 100 percent right.

19 However, there is also--

20 THE COURT: And these, and these plaintiffs, I want  
21 to get this out and then I am going to be quiet and let you  
22 respond, these plaintiffs, like many others in the  
23 administrative review arena, want the Court to make an  
24 exception to that rule, you know, we are different from all  
25 other disputants, and the Court in our case should make an

1 exception and allow extensive, you-all are asking for,  
2 discovery before summary judgment so that we don't have to do  
3 what other plaintiffs have to do because that's the way  
4 Congress wrote the law.

5 MR. DESMARAIS: I think I would respond to that in  
6 this way. Firstly, I think it's, we need to separate the  
7 plaintiffs because GSK is not asking for extensive discovery.  
8 And I will go into that in a moment on what actually we are  
9 asking for. It's the Tafas plaintiffs who are asking for the  
10 depositions and the bad faith discovery.

11 GSK is not. We are asking for very targeted  
12 discovery to get at these analyses and studies and models that  
13 is we know that the Patent Office did that they have said they  
14 have done.

15 So, you know, are we asking for broad discovery?  
16 GSK is not. We want the Court to order document requests  
17 which we have drafted and attached which go specifically to  
18 the things we know are missing from the record. And we have  
19 drafted a few interrogatories that we have attached to our  
20 brief specifically saying, tell us about what models and  
21 analyses you did because we know they did them and they are  
22 not in the record.

23 So, we are not asking for broad discovery. And  
24 that's how I distinguish the cases. Because Your Honor is  
25 100 percent right, when there are glaring errors in the